



MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 11, 2010

Mike Dalley Staker Parsons Companies 2350 South 1900 West Ogden Utah 84409

Subject: Fourth Review of Notice of Intention to Commence Large Mining Operations, Daniel's Canyon

Pit Mine, M/051/0008, Wasatch County, Utah

Dear Mr. Dalley

The Division has completed a review of your Notice of Intention to Commence Large Mining Operations for the Daniel's Canyon Pit Mine, which was received December 10, 2009. The attached comments will need to be addressed before tentative approval may be granted.

The comments are listed under the applicable Minerals Rule heading; please format your response in a similar fashion. The plan is close enough to being approvable that we feel you could submit one complete copy for what is hoped will be a final review. Changes, however, need to be highlighted, so you could separately submit the changed pages with redline/strikeout. Before issuing final approval, we will need a total of two copies of the plan which will be stamped approved. One copy will be returned to you.

The Division will suspend further review of the Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me at 801-538-5261 or Leslie Heppler, at 801-538-5257. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker

Minerals Program Manager

PBB:lah:vs Attachment: Review

P:\GROUPS\MINERALS\\WP\M051-Wasatch\M0510008-DanielsCyn\Final\\REV4-3290-02162010.doc



Fourth Review Page 2 of 3 M/051/0008 March 11, 2010

FOURTH REVIEW OF NOTICEOF INTENTION TO COMMENCE LARGE MINING OPERATIONS

Staker Parsons Company Daniels Canyon Pit

M/051/0008 March 11, 2010

General Comments:

| Comm ent # | Sheet/Page/ Map/Table # | Comments | Initials | Review Action |
|---------------|-------------------------------|--|----------|------------------|
| 1 | | Additional comments from the Division might be generated in the final review based on receiving the completed final NOI. A cover to cover review will need to be done on the final plan before it is stamped approved. | lah | |

105.2 - Surface facilities map

| Comm ent # | Sheet/Page/ Map/Table # | Comments | Initials | Review Action |
|---------------|-------------------------------|---|----------|------------------|
| 2 | | No water facilities are shown for dust suppression. Will there be an overhead camel, storage tank etc.? In the bond there is a line item for miscellaneous equipment. Perhaps if you included verbiage that noted some of the larger miscellaneous equipment, including the generator, the tanks, etc., more detail would not be needed on figure 5a. | lah | |

105.3 - Drawings or Cross Sections (slopes, roads, pads, etc.)

| Comm ent # | Sheet/Page/ Map/Table # | Comments | Initials | Review Action |
|---------------|-------------------------------|---|----------|------------------|
| 4 | Figure 9 | The slope shown on the figure is 57 degrees, but the "comments to DOGM review" says the "toe to crest doesn't exceed 45 degrees". Please make the changes needed so the document is consistent. It is not clear if it is the intention of the operator to mine at 57 degrees as shown on Figure 9 or the 45 degrees as written in the comment section. Please clarify both in the written text in the NOI and the drawing. Commit to having an adequate factor of safety in the text. If the reclaimed slope is to be steeper than 45 degrees, the plan will need to include a variance request and a slope stability analysis. | lah | |

R647-4-110 - Reclamation Plan

| Comment # | Sheet/Page/ Map/Table # | Comments | Initials | Review Action |
|--------------|-------------------------------|---|----------|------------------|
| | Pg. 4 of cost estimate | The bond calculations indicate composted manure would be applied at the rate of five pounds per acre. Is this meant to be five tons per acre? | pbb | |
| | | | | |

Fourth Review Page 3 of 3 M/051/0008 March 11, 2010

R647-4-112 - Variance

| Comment # | Sheet/Page/ Map/Table # | Comments | Initials | Review Action |
|-----------|-------------------------------|--|----------|------------------|
| | | No variances are requested, so no comments or findings are needed. | lah | |

<u>R647-4-113 – Surety</u>

| Comment # | Sheet/Page/ Map/Table # | Comments | Initials | Review Action |
|-----------|-------------------------------|---|-------------------|------------------|
| 5 | Appendix D | The Division requests that you use the Division's standard forms for bond calculations. Additional items needed are: dimensions of each structure to be demolished or removed and productivity sources for demolition. The Division will provide the forms in either hard or electronic copy. | whw | |
| | | The figures used in the bonding calculations for highwall reduction are not clear. The Division calculates that an area of 3000 X 200 feet (the height of the highwall is the same as the width of the area to be regraded) is 13.8 acres rather than 1.4 acres as shown. The total amount of material to be moved would be about 2.2 million cubic yards, and, using the production rate and the costs shown, the total cost to reclaim this section of the highwall would be \$1,212,112. Please either revise the calculations or provide further explanation as to how the figures in the calculation were derived. | whw and pbb | |
| | | If the Division accepts the plan and surety calculation as shown, the maximum length of the highwall during operations would be 3000 feet. The rest would need to be either reclaimed or undisturbed. Otherwise the operation would be subject to enforcement action. | | |